

16 JUN 1965

MEMORANDUM FOR THE RECORD

SUBJECT: H.R. 4170 - Foreign Service Retirement System

1. H.R. 4170 has been favorably reported out of House Committee. Its highlights are noted below:

(a) Section 2. Under variety of circumstances, provides \$2,400 per annum surviving widow annuity at cost of \$300 per annum (CIAR cost \$492; 2 1/2 per cent).

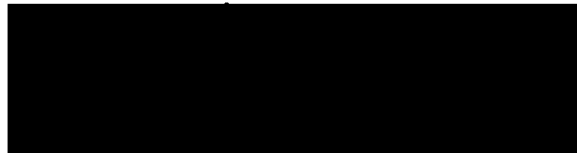
(b) Section 3. Eligible surviving widow of participant awaiting deferred annuity is paid not less than \$2,400 per annum.

(c) Sections 4 and 5. Under certain conditions, provide minimum \$2,400 annuity to surviving widow, even though annuitant did not provide for same and raises all surviving widow annuities to \$2,400 level.

(d) Section 9(b)(1). Married female participant may provide 50 per cent annuity payable to husband (CIAR, 55 per cent). 2.5 per cent and 10 per cent reduction involved same as CIAR, but our cut off point for the lower percentile is \$3,600 as opposed to \$2,400 proposed in the bill. Thus, our costs are less.

(e) Section 9(b)(2). Provides mandatory reduction of married male's annuity to provide minimum \$2,400 annuity for surviving wife. May elect up to 50 per cent annuity for surviving wife (CIAR, 55 per cent). This program is less costly than CIAR since first \$2,400 annuity for wife is purchased at \$300 (CIAR cost, \$492) and the 10 per cent reduction for annuity over that amount begins at \$3,600 for CIAR and \$4,800 under the proposed bill.

(f) Section 9(3). Provides cost of living adjustments following Civil Service pattern.



Office of Legislative Counsel

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